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Director of Communications' Comments:

The following comments relate to the proposed ELINT funding and accounting procedures outlined in the staff study of 16 August 1963:

a. It is my understanding that at present there is no continuous flow of data to reflect worldwide issue from inventory by the specific commodity groups or in relation to the technically cognizant Office. Neither is there any way to tell how much current year property requisitioning authority is being used for items purchased with TSD, General, Medical, or Communications bulk stock account funds. Therefore, the statement under paragraph 6 which reads "...the system does not provide adequate safeguards for protecting the integrity of procurement funds earmarked for the support of the Agency's ELINT collection and analysis program" is correct but it is questionable whether the changes recommended will prove to be a solution to the problem.

b. Paragraph 7, which is concerned with the proposed funding of the ELINT bulk stock account, indicates that allotments would be determined on the basis of "Requirements for ELINT equipment listed in the DD/P budget program...the consumption of expendable supplies... for updating requirements." In the case of the first two requirement aspects, using organizations theoretically will be contributing funds to meet the procurement needs involved. In the case of the latter aspect, which it is assumed has to do with increasing stock levels and replacement of equipment because of obsolescence, it should be realized that the ELINT organization will be obliged to pump new funds into the bulk stock account, otherwise other bulk stock accounts may suffer.

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GROUP 1

Excluded from automatic
downgrading and
declassification